



Dear Contract Owner:

Thank you for your recent annuity purchase at Merrill Lynch. As you know, annuities provide several benefits not available in other investment products, including an option to generate a lifetime income stream and features designed to provide additional protection for you or your beneficiaries. The opportunity for tax-deferred investment performance combined with predictable income and asset protection makes these investments an attractive retirement vehicle.

As part of Merrill Lynch's client commitment, we would like to let you know how Merrill Lynch Life Agency Inc. (MLLA) and your Financial Advisor are compensated due to your annuity purchase from Merrill Lynch.

Your annuity was issued by an insurance company that is not owned by Merrill Lynch and with whom we have entered into a distribution arrangement. For the annuity sale, MLLA receives compensation in the form of commissions from the insurance company.

The commissions paid to MLLA are as follows:

- MLLA receives a maximum first-year sales commission from the insurance company for the sale of the annuity of up to 5.25% of each annuity premium you pay.
- MLLA also receives an annual "trail commission," a payment made by the insurance company to MLLA over time for sales of its annuities. In subsequent years of the annuity, this trail commission is up to 1.20% per year of the value of your annuity.
- **Please note that the first-year sales commission and trail commissions are paid to MLLA directly by the insurance company and do not result in any additional direct charge to you.**

Your Financial Advisor receives a portion of MLLA's first-year sales commission and subsequent trail commissions for the annuity sale. The portion that your Financial Advisor receives as a first-year sales commission ranges from .35% to 2.30% of each annuity premium. The portion that your Financial Advisor receives as an annual trail commission ranges from .09% to .51% per year of the value of your annuity.

Please note that Financial Advisors do not receive different levels of compensation based on which insurance company's variable annuity product they sell, nor do they receive different levels of compensation for selling Merrill Lynch annuity products rather than those issued by an insurance company that is not owned by Merrill Lynch. If an annuity is sold as a replacement for an existing annuity which was issued by the same insurance company, Financial Advisors could receive reduced compensation or no compensation.

MLLA also receives a distribution fee/marketing payment each year directly from distributors of annuities issued by insurance companies not owned by Merrill Lynch for agreeing to distribute the insurance companies' products. **The distribution fee/marketing payment is paid by those distributors out of their own assets and does not result in any direct charge to you.**



- The distribution fee/marketing payment consists of additional revenue of .06% paid over the year based on total premiums generated by MLLA for each distributor.
- MLLA applies the distribution fee/marketing payment against its costs incurred to review annuity products and the promotional material related to their sale; and to support and update these products in MLLA's administrative sales systems.
- To provide training and recognition for our sales personnel, including Financial Advisors, each distributor is allowed to participate in a specified number of sales meetings periodically held throughout the country, and each distributor reimburses MLLA for costs associated with meetings that it attends. These meetings are designed to educate MLLA's sales personnel about the features and appropriate application of the products sold by each distributor. While Financial Advisors may be invited to attend these meetings upon attaining certain sales goals, these goals do not require the sale of any specific insurance company's annuity products. Under no circumstance does MLLA encourage or incent Merrill Lynch Financial Advisors to sell the products of one company over another company.

We believe that this compensation and distribution arrangement helps Merrill Lynch to have a full complement of annuity products that meet our clients' needs and provide a level playing field for the sales of these products by your Financial Advisor. We hope this letter has addressed any questions you have about the compensation we receive in connection with your annuity purchase. If you have additional questions, we encourage you to call us at (800)535-5549 [In NY, please call (800)333-6524].

At Merrill Lynch, we value your business and look forward to the opportunity to serve you.

**Merrill Lynch Life Agency Inc.**

Code: B-SHARE NP



**US Patent & Trade Mark Office  
Patent Examining Operation**

Re. Application No. 10/772/536  
Filed 2/6/04  
Examiner Frantz F. Jules  
Art Unit 3617  
Conf. No. 5402

Response to Action of 5/15/06 and Petition to Revive

Commissioner of Patents  
PO Box 1450  
Alexandria, VA 22313-1450

Sir,

Please revive the above application since the action of 6/22/05 was responded to on 9/6/05. A copy of the Response is enclosed.

The response was apparently mishandled in the mails or at the PTO and did not reach the Examiner. Applicant was not at fault.

Respectfully,  


M.L. LuKacher  
R.N. 17788

Enclosures: A copy of Response of 6/25/05  
A copy of the Notice of Abandonment

I mailed the Response & enclosure to the above address on 9/6/05 by first class mail.

  
M.L. Lukacher



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/772,535	02/06/2004	Eugene Matzan		5402

7590 05/15/2006

UPSTATE CTC  
63 WINDING CREEK LANE  
ROCHESTER, NY 14625



EXAMINER
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JULES, FRANTZ F

ART UNIT	PAPER NUMBER
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3617

DATE MAILED: 05/15/2006

Please find below and/or attached an Office communication concerning this application or proceeding.



# Notice of Abandonment

Application No.

10/772,535

Examiner

Frantz F. Jules

Applicant(s)

MATZAN, EUGENE

Art Unit


3617

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

This application is abandoned in view of:

1. ☒ Applicant's failure to timely file a proper reply to the Office letter mailed on 22 June 2005.
  - (a) ☐ A reply was received on \_\_\_\_\_ (with a Certificate of Mailing or Transmission dated \_\_\_\_\_), which is after the expiration of the period for reply (including a total extension of time of \_\_\_\_\_ month(s)) which expired on \_\_\_\_\_.
  - (b) ☐ A proposed reply was received on \_\_\_\_\_, but it does not constitute a proper reply under 37 CFR 1.113 (a) to the final rejection.  
(A proper reply under 37 CFR 1.113 to a final rejection consists only of: (1) a timely filed amendment which places the application in condition for allowance; (2) a timely filed Notice of Appeal (with appeal fee); or (3) a timely filed Request for Continued Examination (RCE) in compliance with 37 CFR 1.114).
  - (c) ☐ A reply was received on \_\_\_\_\_ but it does not constitute a proper reply, or a bona fide attempt at a proper reply, to the non-final rejection. See 37 CFR 1.85(a) and 1.111. (See explanation in box 7 below).
  - (d) ☒ No reply has been received.
2. ☐ Applicant's failure to timely pay the required issue fee and publication fee, if applicable, within the statutory period of three months from the mailing date of the Notice of Allowance (PTOL-85).
  - (a) ☐ The issue fee and publication fee, if applicable, was received on \_\_\_\_\_ (with a Certificate of Mailing or Transmission dated \_\_\_\_\_), which is after the expiration of the statutory period for payment of the issue fee (and publication fee) set in the Notice of Allowance (PTOL-85).
  - (b) ☐ The submitted fee of \$\_\_\_\_\_ is insufficient. A balance of \$\_\_\_\_\_ is due.  
The issue fee required by 37 CFR 1.18 is \$\_\_\_\_\_. The publication fee, if required by 37 CFR 1.18(d), is \$\_\_\_\_\_.
  - (c) ☐ The issue fee and publication fee, if applicable, has not been received.
3. ☐ Applicant's failure to timely file corrected drawings as required by, and within the three-month period set in, the Notice of Allowability (PTO-37).
  - (a) ☐ Proposed corrected drawings were received on \_\_\_\_\_ (with a Certificate of Mailing or Transmission dated \_\_\_\_\_), which is after the expiration of the period for reply.
  - (b) ☐ No corrected drawings have been received.
4. ☐ The letter of express abandonment which is signed by the attorney or agent of record, the assignee of the entire interest, or all of the applicants.
5. ☐ The letter of express abandonment which is signed by an attorney or agent (acting in a representative capacity under 37 CFR 1.34(a)) upon the filing of a continuing application.
6. ☐ The decision by the Board of Patent Appeals and Interference rendered on \_\_\_\_\_ and because the period for seeking court review of the decision has expired and there are no allowed claims.
7. ☐ The reason(s) below:

**FRANTZ F. JULES**  
**PRIMARY EXAMINER**

  
Frantz F. Jules  
Primary Examiner  
Art Unit: 3617

Petitions to revive under 37 CFR 1.137(a) or (b), or requests to withdraw the holding of abandonment under 37 CFR 1.181, should be promptly filed to minimize any negative effects on patent term.